

FY 2004 Annual Set-Aside Use

Funding Amount & Proposed Use

IDEM will utilize a portion of the FY04 DWSRF Set-Aside allotment to implement the requirements of the Safe Drinking Water Act (SDWA). The FY04 DWSRF Capitalization Grant is \$9 million. The Set-Aside funding amount available is \$1,000,000, based on the Memorandum of Understanding between the Department and the Budget Agency. However, since IDEM will be collecting a portion of the fees approved in the 2003 legislative session, IDEM will use \$400,000 in set-aside funds. IDEM will utilize the full Technical Assistance Set-Aside amount of \$187,964. IDEM will use \$75,000 of the Wellhead Protection Set-Aside. IDEM will use the Program Set-Aside for the remaining \$137,054. The funding will be spent or encumbered over a one-year period. All of the resources will be directed towards activities necessary to maintain primacy for implementation of the Safe Drinking Water Act (SDWA) in Indiana.

The 1996 Amendments to the SDWA significantly increased the requirements for states to maintain primacy. New requirements that the State must implement include: the Consumer Confidence Report, Operator Certification Program, Capacity Development Program for new and existing systems, Ground Water Rule, Disinfection/Disinfection Byproducts Rule, Filter Backwash Rule and the Radon Rule. Failure to implement the Operator Certification Program or the Capacity Development Program will result in loss of DWSRF allotments, up to 20% of the total amount available for each of these programs, or up to 40% total. Through the use of set-aside funds, IDEM is fully implementing the Operator Certification and Capacity Development Programs to ensure that the State is eligible for the full DWSRF allotment. In addition to new requirements, existing requirements are being significantly modified in the following areas: Arsenic Rule, Surface Water Treatment Rules, Sulfate Rule, Radionuclides Rule, and the Lead and Copper Rule. These new or modified requirements necessitate additional resources to meet the federal requirements to maintain primacy.

In addition to the increased requirements of SDWA, the Drinking Water Program currently lacks the resources to perform timely routine inspections (sanitary surveys) of public water systems, as required by the SDWA. The Ground Water Rule and modification to the Surface Water Treatment Rules will increase the required frequency of inspections at many systems. These new requirements will place more of a strain on existing resources. Because of the State's inability to perform these inspections, public water systems within the State may be required to perform more frequent monitoring of their system at a significant cost to the systems, owners.

To address the implementation of both new and modified requirements of the SDWA and to perform an adequate number of routine inspections, IDEM proposes to utilize set-aside funds to provide resources to the Drinking Water Program. IDEM will use several approaches to add resources. IDEM will submit a staffing package to the State Personnel Department to add eleven new positions and upgrade eleven existing positions in the Drinking Water Branch. Set-aside

funds would provide a portion of the funding for this package. However, all State departments are under a strategic hiring freeze, and approval of the package is not guaranteed. IDEM may also use contractual assistance to aid with program implementation. The extent to which contractors will be used will depend on the staffing package. If the package is approved, a minimal number of contracts will be developed to assist with the implementation of key SDWA requirement and fill any program gaps. If the staffing package is not approved, contractors will be used extensively for program implementation. Possible contractors include local health departments, governmental agencies, EPA contractors (under a cooperative agreement), and private firms. In addition to the approaches outlined above, IDEM realigned three staff in the Ground Water Section to activities that support the SDWA. These staff will be partially funded from the set-asides.

Staffing Package Summary

IDEM proposes to create and upgrade positions in the following areas in the Drinking Water Branch:

<u>Section/Office:</u>	<u>New Positions:</u>	<u>Upgrades/Reclassification:</u>
-Inspection Section	5 positions	4 positions
-Northern Regional Office		2 positions
-Northwest Regional Office		1 position
-Southwest Regional Office		1 position
-Compliance Section	2 positions	3 positions
-Permit, Operator Certification and Capacity Development Section	4 positions	
Total:	11 positions	11 positions

Implementation

Inspection Section: One new SEM 1 position will be added to manage compliance information collected as part of field inspection work. Four new inspection positions will be added to supplement the existing inspection staff and perform similar tasks including: performing sanitary surveys, performing well site inspections, providing technical assistance, assisting systems with security efforts, performing complaint follow up, meeting with the public to explain the SDWA, and responding to emergency situations relating to providing safe drinking water. Existing inspection ES 3 positions will be upgraded to EM 2 positions because of increased responsibilities relating to drinking water security and the added complexity of new SDWA requirements. A reclassification of an existing Data Input Operator 5 to a Secretary 3 is also

included to more accurately reflect the duties performed by the incumbent in the position.

Number of positions	Level of Position
1	SEM 1
4	Env. Mgr. 2
3	ES 3 to EM 2*
1	DP Op 5 to Sec 3**

* upgrade

** reclassification

Regional Offices: As noted in the Inspection Section above, existing ES 3 level inspectors will be upgraded to EM 2 level due to the increased duties and responsibilities of the positions

Number of positions	Level of Position
4	ES 3 to EM 2*

* upgrade

Compliance Section: Two staff will be added to this section to perform two major functions: implementation of new and modified requirements of the SDWA (Interim Enhanced Surface Water Treatment Rule, Disinfection/disinfection Byproducts Rule, Ground Water Rule, etc.), and to perform follow up on compliance violations. Upgrades for two positions from ES 3 to EM 2 reflect increased duties and responsibilities assigned to these positions as a result of the increased complexity of the SDWA. A reclassification of an existing Data Input Operator 5 to a Secretary 3 is also included to more accurately reflect the duties performed by the incumbent in the position.

Number of positions	Level of Position
1	Sr. Env. Mgr. 1
1	Env. Mgr. 2
2	Env. Sci 3 to Env Mgr. 2*
1	DP Op 5 to Sec 3**

* upgrade

** reclassification

Permits, Operator Certification and Capacity Development Section: Four positions are proposed for the section. In addition to activities associated with new SDWA requirements for Capacity Development, the section includes the existing operator certification and construction permitting programs. The new positions include two positions dedicated to the Capacity Development Program. These positions are necessary to implement an effective program and avoid the loss of federal DWSRF funds. An additional position will be added to assist with the operator certification program. New SDWA requirements increased the number of required certifications by three-fold, from approximately 800 to 2,400. An administrative assistant position supporting the Capacity Development Program, Operator Certification Program and the permitting program is proposed to perform the numerous administrative tasks associated with the three programs.

Number of positions	Level of Position
1	Sr. Env. Mgr. 1
1	Env. Mgr. 2
1	Env. Eng. 2
1	Adm. Asst. 3

Funding

The approximate annual cost of the staffing package including all necessary ancillary considerations will be \$700,000, approximately \$187,964 of Technical Assistance Set-aside funds will be used to support the package.

Reassigned Staff in the Ground Water Section

To support the Wellhead Protection Program and Source Water Assessment Program, 3 staff have been reassigned from non SDWA activities to the two programs. These staff will be funded from the Wellhead Protection – \$75,000 and Program - \$137,054 Set-Asides.

Contractual Assistance

Depending on the approval of the staffing package, up to \$187,964 may be used for contracts to provide technical assistance in the following areas: rule implementation, wellhead and source water protection, and capacity development at existing systems. The contracts will be funded from the Technical Assistance Set-Aside.